

STATE PUBLIC WORKS BOARD

915 L Street, Ninth Floor
Sacramento, CA 95814-3701
(916) 445-9694

STATE PUBLIC WORKS BOARD
September 11 1998

MINUTES**PRESENT:**

Robin Dezember, Chief Deputy Director, Department of Finance
Peter Stamison, Director, Department of General Services
James Van Epps, Chief Deputy Director, Department of Transportation
William Sherwood, State Treasurer's Office
Rick Chivaro, State Controller's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member Joe Baca
Assembly Member Diane Martinez
Assembly Member Kevin Shelley
Senator Quentin L. Kopp
Senator Leroy F. Greene
Senator Richard G. Polanco

STAFF PRESENT:

James E. Tilton, Administrative Secretary, State Public Works Board
Karen Finn, Assistant Administrative Secretary, State Public Works Board
Peggy Palmertree, Executive Secretary, State Public Works Board

OTHERS PRESENT:

Michael Bancroft, RESD, Department of General Services
Cristal Waters, RESD, Department of General Services
Steve Sundman, RESD, Department of General Services
Dennis Wensels, RESD, Department of General Services
Steven Keck, California Department of Forestry and Fire Protection
Curt Karlin, California Department of Forestry and Fire Protection

CALL TO ORDER AND ROLL CALL:

The meeting was called to order by Mr. Robin Dezember, Chairperson, Chief Deputy Director, Department of Finance at 10:02 a.m. Mr. James Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

APPROVAL OF MINUTES:

Mr. Tilton reported staff had reviewed the August 21, 1998 minutes and believed them to accurately reflect the Board's proceedings at the meeting and recommended approval.

Mr. Dezember asked that membership of the SPWB be read into the minutes. The Government Section Code 15770 indicates that the Board consists of the Department of Finance, the Director of Transportation, and the Director of General Services, for the purpose of hearing and deciding upon matters related to the issuance of revenue bonds pursuant to the State Building Construction Act of 1955, or any other law authorizing the issuance of revenue bonds, the Treasurer and the Controller shall be members of the Board.. Therefore when the agenda has no bond items the minutes will reflect that the State Treasurer and State Controllers were not required to attend a SPWB meeting due to the fact there were no bond items instead of being recorded as absent from Board meetings. It was so noted.

Hearing no further objections, the minutes of August 21, 1998 were unanimously approved.

BOND ISSUES:

Mr. Tilton reported that there was one bond item.

Mr. Tilton noted that the bond item was for the sale of \$10 million in lease revenue bonds for the Department of Forestry and Fire Protection, Telecommunication Towers and Vaults project.

A motion was made by Mr. Sherwood and seconded by Mr. Chivaro to approve Agenda Item #1 of the bonds calendar. The motion was unanimously adopted by a 5-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted that the consent calendar included Items #2 through #8.

Mr. Tilton reported that Item #2, Department of General Services, Energy Assessments for California Community Colleges, Pierce College in Orange County was withdrawn.

Mr. Tilton indicated that the revised consent calendar proposed one request for site selection and acquisition, one request to approve a resolution, one request to approve letting of property at less than fair market value, one request to approve an augmentation, and two requests for approval of preliminary plans.

Mr. Tilton reported that a 20-day notification letter for Item #6, included in the briefing packets for the Department of Corrections, California State Prison, Sacramento, Represa, for a correctional treatment center, was sent to the Legislature on August 14, 1998 without negative comment.

Mr. Tilton noted that staff recommends approval of the revised consent calendar, Items #3 through #8.

A motion was made by Mr. Van Epps and seconded by Mr. Stamison to adopt the revised consent calendar and to approve Agenda Items #3 through #8. The motion was unanimously approved by a 3-0 vote.

ACTION ITEMS:

Mr. Tilton reported that there was one action item. Item #9 for the California State University, San Francisco to seismic upgrade the J. Paul Leonard Library, will be rescoped and resubmitted as a future project.

A motion was made by Mr. Stamison and seconded by Mr. Van Epps to adopt the action item and approve Agenda Item #9. The motion was unanimously approved by a 3-0 vote.

REPORTABLES:

Mr. Tilton indicated there were two reportables.

OTHER BUSINESS:

Mr. Tilton reported that there were no items of other business.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for October 9, 1998 at 10:00 a.m.

Having no further business, the meeting was adjourned at 10:08 a.m.

BOND ITEMS

BOND – ITEM 1

DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540) 1998 SERIES

Authority: Chapter 303/95, Item 3540-301-660(7)

a. Adopt a resolution to include the following for the Department of Forestry and Fire Protection, Telecommunication Towers and Vaults Project:

- (1) Authorize the sale of the State Public Works Board Lease Revenue Bonds - 1998 Series (Department of Forestry and Fire Protection).
- (2) Approve the form of and authorize the execution of Site Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
- (3) Approve the form and authorize the execution of Facility Lease between the Department of Forestry and Fire Protection and the State Public Works Board.
- (4) Approve the form of and authorize the execution of Construction Agreements between the Department of Forestry and Fire Protection and the State Public Works Board.
- (5) Approve the form of and authorize the execution of an Indenture or Supplemental Indenture with the State Treasurer.
- (6) Approve the form and authorize execution and delivery of Preliminary Official Statement and Official Statement.
- (7) Approve other related actions in connection with the authorization, issuance, sale and delivery of said lease revenue bonds.

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 1

Department of Forestry and Fire Protection, Sale of bonds

Action Requested

The requested action will authorize the sale of lease revenue bonds.

Scope Description

The Department of Forestry and Fire Protection's Communication Towers and Vaults program currently includes improvements to eleven sites located throughout the State. The project includes nine new galvanized steel towers ranging in height from 120 feet to 160 feet and eleven new concrete block radio equipment vaults to house new analog and digital communication equipment. New emergency generators, ranging in size from 30 kW to 60 kW, will be added to all eleven of the communication sites.

Funding and Project Cost Verification

\$10,000,000	funding in place — Public Buildings Construction Fund
0	
\$10,000,000	total estimated project cost for statewide project
0	
\$10,000,000	previously allocated for statewide project: preliminary plans \$291,000; working drawings \$816,000; construction \$8,893,000 (\$6,124,000 contract, \$428,000 contingency, \$104,000 A&E, and \$2,237,000 other costs including agency retained items
0	

CEQA

CEQA compliance for Phases I and II were completed on February 23, 1996 and March 14, 1996 respectively.

Project Schedule

Construction is currently underway in two regional areas of the state.

San Diego County:

Complete construction: March 1999

Coastal Range from San Benito County to Mendocino County:

Complete construction: September 1999

Staff Recommendation: Approve resolution for the sale of lease revenue bonds.

CONSENT ITEMS

CONSENT – ITEM 2

DEPARTMENT OF GENERAL SERVICES (1760)

ENERGY ASSESSMENTS

CALIFORNIA COMMUNITY COLLEGES (6870)

LOS ANGELES COMMUNITY COLLEGE DISTRICT

PIERCE COLLEGE, ORANGE COUNTY

Energy Service Contract #6870.34, Amendment #2

Authority: Governmental Code Section 15814.12

a. Approve Energy Service Contract #6870.34, Amendment #2

WITHDRAWN.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 2

Department of General Services, Energy Assessments, California Community Colleges,
Los Angeles Community College District, Pierce College, Energy Service Contract

Action Requested

The requested action will approve an amendment to the Energy Service Contract #6870.34, Amendment #2.

Scope Description

This project is within scope. The amendment to the contract results in air conditioning the campus using a central chiller plant rather than heat pumps and will include the installation of a combination of absorption and centrifugal chillers and new boilers.

The scope of work will not change for the lighting retrofits, EMS controls, or pool filtration system.

Funding and Project Cost Verification

This project is within cost. Project costs funded with Series 1995A revenue bonds total \$2,760,000. The annual bond payment is \$285,000. Contract payments began on August 15, 1996 and will end on August 15, 2010. The total of the contract payments is \$4,063,000, which includes bond overhead, cost of issuance, contract administration, other project costs.

The change of scope requested by Los Angeles Community College District, Los Angeles Pierce College, will result in annual savings of \$291,708. The savings will exceed the current bond payment of \$285,000, thus, increase in revenue bond funding will be required.

CEQA

N/A

Project Schedule Summary

The project schedule is as follows:

Proceed to bid:	September 1998
Complete construction:	July 2000

Staff Recommendation: Approve amended Energy Service Contract.

CONSENT ITEMS

CONSENT – ITEM 3

DEPARTMENT OF GENERAL SERVICES (1760)
PROPERTY CONTIGUOUS TO FRANCHISE TAX BOARD
SACRAMENTO COUNTY
FTB-004, Parcels 9585, 9586

Authority: Chapter 324/98, Item 1760-301-0001, (1) 50.10.052
Chapter 1152/96, as amended by
Chapter 324/98

a. Approve site selection and acquisition

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 3

Department of General Services, Property Contiguous to Franchise Tax Board

Action Requested

The requested action will provide for the site selection and acquisition of two parcels totaling approximately 30.86 acres.

Scope Description

This project is within scope. The scope of the proposed project provides for acquisition of land which may be used to construct approximately 1,000,000 square feet of office and warehouse space for use by the State of California, provided acquisition of land is in accordance with the provisions of the Property Acquisition Law (Government Code Section 15880, et seq.), and land acquisition cost do not exceed fair market value.

Funding and Project Cost Verification

This project is within cost.

\$7,000,000 budgeted

\$0 previously allocated

\$6,852,000 allocated for acquisition and associated costs

\$148,000 potential

CEQA

A Categorical Exemption was filed at the State Clearinghouse by the Department of General Services (DGS) for acquisition of the subject properties on March 13, 1997. The 35-day litigation period has expired with no disputes. The Categorical Exemption is appropriate to allow the State of California to proceed with acquisition of the subject properties but not its proposed development. An environmental impact report for the proposed development will be completed prior to completion of preliminary plans.

Project Schedule

Acquisition of these parcels must begin prior to February 1999.

Other

DGS is requesting authority to acquire two of four parcels. The four parcels may be used to construct 1,000,000 of office and warehouse space for use by the state. The subject parcels are Parcel 9585 at 28.27 acres and Parcel 9586 at 2.59 acres. Both are located adjacent to the existing Franchise Tax Board facility on Butterfield Way in Sacramento County. There is no relocation assistance nor implied dedication involved with either acquisition.

Effective May 1, 1997, DGS negotiated a purchase option agreement on parcel 9585 with the grantor, the Pittsburg-Des Moines Steel Company, to be exercised prior to July 1, 1998 at a cost of \$6.2 million with the option was to extend to November 1, 1998 at a cost of \$6.5 million. Due to lengthy due diligence and funding restraints, DGS elected to extend the purchase option agreement to the November 1, 1998 date. The property was appraised by DGS staff for \$6.5 million in September 1998.

The property to be acquired was formerly used by Pittsburg-Des Moines Steel Company for steel fabrication, treating, cutting, painting with lead-oxide primers, storage and assembly. Lead present in the soil was remediated to a level sufficient for commercial, industrial, or other non-residential development. A deed restriction limiting development to such uses shall be accepted with the conveyance of this property. With the exception of the deed restriction on development, the State of California shall take title to the subject properties free and clear of all liens, leases, encumbrances, taxes, or assessments of record or otherwise except for normal utility and drainage easements.

DGS negotiated a purchase agreement for parcel 9586 which must be exercised on or before January 31, 1999 at a cost of \$338,365, subject to approval by the Director of DGS. The State of California shall take title to the subject properties free and clear of all liens, leases, encumbrances, taxes, or assessments of record or otherwise except for normal utility and drainage easements. The property was appraised by DGS staff in January, 1997 for \$590,000.

Staff Recommendation: Approve site selection and acquisition.

CONSENT ITEMS

CONSENT – ITEM 4

DEPARTMENT OF GENERAL SERVICES (1760)

REAL ESTATE SERVICES DIVISION

DEPARTMENT OF HEALTH SERVICES (4260)

CITY OF BERKELEY PURCHASE OPTION, ALAMEDA COUNTY

Sale of surplus land

Authority: Chapter 1173/94

a. Approve resolution

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 4

Department of General Services, Real Estate Services Division
Department of Health Services, Alameda County, Sale of Surplus Land

Action Requested

The requested action will result in adoption of a resolution approving the conveyance by the Director of General Services of an option to the City of Berkeley to purchase certain unimproved surplus State-owned property located at 2000 Acton Street, Berkeley, County of Alameda.

Scope Description

The Department of General Services (DGS) has legislative authority to dispose of surplus State property as identified by specific departments. The Department of Health Services has determined that the property at 2002 Acton Street in Berkeley is no longer required. The City of Berkeley (the City) has determined that the subject property would be suitable for low/moderate income housing. The City, in accordance with Section 11011.1 (d) of the Government Code, proposes to acquire the subject property at less than fair market value and construct a housing project.

The City will have one year to exercise its option to purchase the 23,350 square foot parcel, however, the term is extendible by mutual agreement between the State and City.

Consideration to the State for this purchase option is \$1.00. The City may assign all or any portion of its interest to a housing sponsor who will construct housing suitable for persons and families of low or moderate income.

During the term of the option, the City must prepare and submit a proforma and other data to the Department of Housing and Community Development (HCD). After review of the information from the City, HCD will recommend to DGS a price that will enable the provision of low and moderate income housing. DGS will consider the recommendation, determine the amount to be paid for property, and make an offer to the City. The City will then have the option of acquiring the property at the determined price. Should the City agree to the offer price, the subsequent sale will be a cash transaction.

DGS recommends approval of this Option Agreement and eventual conveyance to the City using the procedure outlined above and set forth in more detail in Section 11011.1 (d) of the Government Code.

CEQA

N/A

Staff Recommendation: Approve resolution.

CONSENT ITEMS

CONSENT – ITEM 5

**DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF MENTAL HEALTH (4440)
METROPOLITAN STATE HOSPITAL, LOS ANGELES COUNTY**

Authority: Government Code Section 14671.2

a. Approve letting of property at less than fair market value

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 5

Department of General Services, Department of Mental Health, Metropolitan State Hospital

Action Requested

The requested action will authorize the Department of General Services to execute a 20-year lease for a State-owned building 305-307 at less than fair market value.

Scope Description

Government Code Section 14671.2 permits in part, the Director of General Services, with the consent of the state agency, to let for any period of time any real property belonging to the State, which serves a beneficial public purpose limited to the development of housing which is compatible with current use and foreseeable future of the property. Such housing developed shall be available to moderate and low-income persons and may be let at less than market value, provided that the cost of administering the lease is recovered.

The intended use of the proposed leased building consisting of approximately 11,850 square feet of building space and six (6) parking spaces, located at Metropolitan State Hospital, Los Angeles County is to make certain capital improvements and renovations and thereafter, use the premises as a licensed congregate living facility serving persons with mental illness who are transitioning into appropriate permanent housing, and providing related support services, including counseling, meetings, classes, offices, and all related mental health activities.

Funding and Project Cost

The prospective lessee, Homes for Life Foundation, has obtained funding for this renovation and transitional living program through the U. S. Department of Housing and Urban Development (HUD) in the amount of \$1,399,963.

CEQA

As a condition of CEQA compliance, the building is eligible for listing in the National Register of Historic Places as a contributor to the Metropolitan State Hospital Historic District. HUD has consulted with the California State Historic Preservation Officer (SHPO) concerning the regulations and requirements necessary for the renovation of the building for the purpose of a transitional living facility. A Memorandum of Agreement between HUD and SHPO has been executed regarding the lease and rehabilitation of the building and submitted to the Advisory Council on Historic Preservation pursuant to 36 CFR 800.6(a).

A Mitigated Negative Declaration was prepared and filed at the State Clearinghouse on June 26, 1998 with the 30-day public review period ending on July 28, 1998, with out comments. The Notice of Determination was filed on July 30, 1998 and the 30-day statute of limitations for any legal actions expired on August 31, 1998.

Project Schedule

After securing all required signatures, lease execution and the start of project construction are anticipated to occur on or about October 1, 1998.

Other

Department of General Services staff determined a discounted market value establishing a range from which to begin rental negotiations. The negotiated base rental rate is \$25,000 annually upon completion of the plan review and construction period, with a CPI increase every fifth year during the term of the lease.

Staff Recommendation: Approve letting of property at less than fair market value.

CONSENT ITEMS

CONSENT – ITEM 6

DEPARTMENT OF CORRECTIONS (5240)
CALIFORNIA STATE PRISON, SACRAMENTO, REPRESA
SACRAMENTO COUNTY
Correctional Treatment Center

Authority: Chapter 282/97, Item 5240-303-0660(1)

a. Approve augmentation	\$339,000
	(19.9%)

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 6

California State Prison, Sacramento, Represa, Correctional Treatment Center

Action Requested

The requested action will approve an augmentation of \$339,000 (19.9%).

Scope Description

This project is within scope. The Correctional Treatment Center (CTC) Licensing Project provides the existing medical facility at the California State Prison, Sacramento with the building modifications needed to meet Title 24 requirements identified in the California Code of Regulations for a CTC license. Major project components include additional space for medical records and medical supplies, and the interior modification of the existing medical building to provide all services required by the Code.

Funding and Project Cost Verification

The project is not within cost. The following unforeseen conditions require an augmentation of \$339,000 (19.9% of the original construction appropriation) to complete the project: actual material costs and security/safety items and additional program space necessary for licensure. A 20-day letter was sent to the Legislature on August 12, 1998. The review period expired on September 1, 1998 without comment.

\$2,405,000 total estimated project cost

\$2,066,000 previously allocated for preliminary plans \$144,000; working drawings \$217,000; and construction \$1,705,000 (\$1,230,000 contract, \$86,000 contingency, \$244,000 architectural and engineering, \$145,000 guarding and telecommunications) at CCCI 3674

\$339,000 proposed funding necessary

CEQA

A Notice of exemption was filed with the State Clearinghouse on May 8, 1996, the waiting period expired on June 12, 1996.

Project Schedule

The project schedule is as follows:

Approve working drawings:	March 1998
Complete construction:	September 1999

Staff Recommendation: Approve augmentation.

CONSENT ITEMS

CONSENT – ITEM 7

DEPARTMENT OF THE YOUTH AUTHORITY (5460) STATEWIDE

Statewide, Integrated Personal alarm

Authority: Chapter 282/97, Item 5460-301-0001(2)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 7

Department of the Youth Authority, Statewide Integrated Personal Alarm System

Action Requested

The requested action will provide approval of preliminary plans.

Scope Description

The project is within scope. This statewide project consists of integrating all existing personal alarm systems into a new master personal alarm system that can receive alarms from all activators. The new system will be programmed to cover all areas of the institution not currently covered by any system. This project is scheduled by individual institutions for working drawings and construction.

Funding and Project Cost Verification

This project is within cost.

\$14,120,000 total estimated project cost

\$381,000 funds previously allocated for preliminary plans

\$13,739,000 to be allocated: working drawings \$838,000; construction \$12,901,000 (\$10,961,000 contracts, \$768,000 contingency, \$1,082,000 A&E, \$90,000 agency retained) at CCCI 3722

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 16, 1998, the waiting period expired on August 20, 1998, without comment.

Project Schedule

The project schedule is as follows:

Approve working drawings:	May 1999
Complete construction:	September 2001

Staff Recommendation: Approve preliminary plans.

CONSENT ITEMS

CONSENT – ITEM 8

CALIFORNIA STATE UNIVERSITY (6610)
NORTHRIDGE, OFF CAMPUS CENTER, VENTURA COUNTY
Renovation for Initial Facility, Phase 1a

Authority: Chapter 324/98, Item 6610-301-0660(1)

a. Approve preliminary plans

APPROVED.

CONSENT ITEMS

STAFF ANALYSIS – ITEM 8

California State University, Northridge, Ventura Off-Campus Center,
Renovation for Initial Facility, Phase 1a

Action Requested

The requested action will provide approval of preliminary plans.

Scope Description

This project is within scope. This project will provide the initial facility for California State University Northridge, Ventura Off-Campus Center.

Funding and Project Cost Verification

This project is within cost.

\$11,846,000 total estimated project cost

\$543,000 funds previously allocated for preliminary plans

\$11,303,000 to be allocated: construction \$9,923,000 and equipment (\$1,380,000) (\$8,513,000 contract, \$596,000 contingency, \$814,000 A&E) at CCCI

CEQA

A Notice of Exemption was filed with the State Clearinghouse on July 14, 1998, the waiting period expired on August 14, 1998.

Project Schedule

The project schedule is as follows:

Approve working drawings:	September 1998
Complete construction:	August 1999

Staff Recommendation: Approve preliminary plans.

ACTION ITEM

ACTION – ITEM 9

CALIFORNIA STATE UNIVERSITY (6610)
SAN FRANCISCO STATE UNIVERSITY
SAN FRANCISCO COUNTY
Seismic Upgrade – J. Paul Leonard Library

Authority: Chapter 282/97, Item 6610-301-0658(24)

- a. Reversion of preliminary plan and working drawing funds to the unappropriated surplus of the 1996 Higher Education Capital Outlay Bond Fund in accordance with Section 16351.5 of the Government Code. The project will be rescoped and resubmitted for a future Capital Outlay project.**

<u>Location/Project</u>	<u>Chapter/Year</u>	<u>Item</u>	<u>Amount</u>
San Francisco Campus 06.84.097 Seismic Upgrade - J. Paul Leonard Library	282/97	6610-301-0658(24)	\$726,000

APPROVED.

ACTION ITEM

STAFF ANALYSIS – ITEM 9

California State University, San Francisco, Seismic Upgrade - J. Paul Leonard Library

Action Requested

The requested action will approve reversion of \$726,000 for preliminary plans and working drawings as the project will be rescoped and resubmitted as a future project.

Scope Description

This project was to provide a new perimeter and interior shear walls, new steel bracing, reinforced and new connections to precast concrete panels to address existing structural deficiencies.

Funding and Project Cost Verification

This project was terminated as the campus community has experienced numerous disruptions to the academic programs to address seismic retrofits. As a library renovation was already proposed, the campus decided to minimize disruptions and combine the seismic retrofit with the renovation and resubmit as a future project.

\$12,697,000 total estimated project cost

0

\$976,000 project costs previously allocated: systemwide funds for initial preliminary plans; working drawings \$250,000 (Chapter 55/93); preliminary plans \$325,000; working drawings \$401,000 at ENR 5734

\$726,000 preliminary plans and working drawing funds to be reverted

CEQA

N/A

Staff Recommendation: Approve reversion.

OTHER BUSINESS

REPORTABLES

To be presented at meeting.

Date:

Respectfully Submitted,

JAMES E. TILTON
Administrative Secretary